



Subject: Sale of Land Policy

To: Council

From: Office of the Chief Administrative Officer

Report Number: 2022-256

Meeting Date: December 13, 2022

Recommendation:

That Chief Administrative Office - Economic Development and Tourism Services Report 2022-256 be received;

That Council approve the revised Sale of Land Policy; and

That Council authorize the Mayor and Acting City Clerk to sign the By-law.

Purpose:

The purpose of this report is to seek Council approval for a revised Sale of Land Policy for the City of Port Colborne.

Background:

The *Municipal Act* requires that municipalities have specific policies including a Sale of Land Policy. The current Sale of Land Policy was approved by Council on October 9, 2018.

At the July 12, 2022, Council meeting, staff were directed to review the City's Sale of Land Policy to ensure the policy was up-to-date and comprehensive enough to assist Council and staff in the sale and disposition of City real estate. At the November 8, 2022, Council meeting, staff presented a revised Sale of Land Policy as part of report 2022-224. Council provided initial comments and referred the policy back to staff for further revisions and requested that a "red line" version be provided (see Appendix A).

Discussion:

Staff and the City Solicitor have reviewed the City's existing policy and have proposed revisions that update wording, definitions, and staff titles; and reflect best practices. More specifically, the key revisions are as follows:

- a "Purpose" has been added at the beginning of the policy to highlight the legislative authority and expectations of the *Municipal Act* as well as a general statement confirming how the City will divest surplus property;
- a definition of affordable housing used by Niagara Region Housing has been added which is consistent with the definition included in the City's Affordable Housing Strategy, as well as a statement that Council will consider the suitability of surplus parcels for affordable housing;
- the key staff contact and Division responsible for the policy has been changed to Manager of Strategic Initiatives and the Economic Development and Tourism Services respectively, while acknowledging the importance of and the collaborative partnership with Planning Services;
- updated definitions of Easement, Encroachment, Market Value, Real Property, and Surplus;
- a new section (Part 3 – Responsibility) that outlines the process to be followed by staff when declaring a property surplus;
- Section 5.3 was added to include a potential scenario where a surplus property initially deemed "not marketable" could become "marketable";
- a section regarding the completion of a land survey when required;
- a new section (Phase V) outlining required information to be included in staff reports to Council;
- updated wording regarding methods of sale and the requirement for a deposit to be included with an Agreement of Purchase and Sale.

At the November 8, 2022, meeting, Council requested information regarding the current contract with Royal LePage; that two appraisals be obtained for the sale of City land; and that staff provide more clarity regarding delegation of authority.

There is an agreement (attached as Appendix B) between the City and Royal LePage Niagara Real Estate Centre, signed in May 2019 for a five (5) year term, regarding the provision of real estate services for the City. Prior to the agreement expiring in May 2024, staff will be guided by the City's Procurement Policy and will issue a Request for Proposal (RFP) inviting qualified, professional real estate brokers to submit proposals for real estate services.

With respect to appraisals, staff usually obtain both an Opinion of Value (OOV) as well as an independent appraisal for the sale of City-owned land. The OOV can be obtained fairly quickly from the City's real estate agent of record for little or no cost and the opinion usually reflects current pricing and market realities. The independent appraisal provides more detailed comments, analysis, and comparative listing information. The average cost

of an appraisal is \$2,500 plus HST and usually takes five (5) to six (6) weeks to complete. The cost of the appraisal is at the City's expense. It is staff's recommendation that an Opinion of Value combined with a single independent appraisal is sufficient to arrive at a suitable selling price for City-owned land.

Senior Staff have explored the concept of delegated authority from Council to Staff pertaining to land sales and believe that it is not suitable for Council to delegate their authority at this time. For that reason, it is recommended that all City real estate transactions, regardless of size and transactional value, come to Council for review and approval.

Internal Consultations:

The City's Sale of Land Policy was reviewed by Economic Development and Tourism Services, Clerk's Division, Planning Services, and the City Solicitor.

Financial Implications:

There are no financial implications associated with the recommendations in this report.

Public Engagement:

The sale and disposition of City land, which is conducted in accordance with a Council approved policy, is an open and transparent process involving staff reports presented to Council in open session. Any properties declared surplus by Council that have marketable value are listed on the City's website and are sold as per the Sale of Land Policy. Agreements of purchase and sale are also brought forward to Council for final approval in open session.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
 - Value: Financial Management to Achieve Financial Sustainability
 - Governance: Communications, Engagement, and Decision-Making
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Conclusion:

Council directed staff to review and update the City's Sale of Land Policy. The *Municipal Act* requires a municipality to adopt a policy with respect to the sale of land. Staff and the City Solicitor have reviewed the current policy and proposed revisions for Council review. This policy, once approved, will guide future decision-making regarding the sale of City-owned land.

Appendices:

- a. Current Sale of Land Policy – red lined version
- b. Contract between City and Royal LePage
- c. By-Law

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.